



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY 25 1995

OFFICE OF
SOLID WASTE AND EMERGENCY
RESPONSE

MEMORANDUM

SUBJECT: FY 1996 §3011 State Grant Distribution

FROM: Devereaux Barnes, Director *DeB*
Permits and State Programs Division

TO: RCRA Branch Chiefs
Region I-X
RIP/State Grant Workgroup Representatives

Attached is the final Regional allocation of §3011 State grant funding for FY 1996. These allocation amounts are based on the President's FY 1996 budget request, which is subject to change depending upon the Congressional appropriation approved this fall. The total executive §3011 State grant budget request for FY 1996 is \$98,298,200, which represents an increase of \$1,248,500 from the congressional appropriation for FY 1995.

The FY 1996 grant allocation is based on a revised formula which was developed within the framework of a State/EPA partnership. Attachment A describes the background and results of the process used to develop this formula. Attachment B is the final allocation. The comments we received on the proposed distribution related to the use of potential incentives to improve data quality. We will continue to pursue opportunities to improve data quality and we will commit to contacting all those who provided comments.

Finally, I would like to thank all the Regional, State, and HQ participants for who have worked on this year's State grant allocation. In addition to developing this proposal, their efforts have allowed us to make improvements in areas such as communication and program understanding. We have also seen substantial improvement in areas such as data cleanup. To further these accomplishments, and because the allocation is based on RCRIS data, we anticipate a continued emphasis on data clean-up. Further, we encourage you to make suggestions regarding how to implement data clean-up requirements as well as methods to provide positive incentives to this program component.



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BACKGROUND AND RESULTS

In past several years, we have developed §3011 allocations using HQ evaluations with Regional input. However, Administrator Carol Browner issued a memorandum July 20, 1994, establishing a new framework for a State/EPA partnership. This partnership is to include input from EPA Regions and States, and should be designed to enhance understanding and encourage consensus. In support of this mandate, in July of 1994, we initiated a workgroup made up of all ten EPA regions and ultimately eleven States. This workgroup was charged with developing recommended changes to the allocation methodology. The workgroup developed these recommendations at a National RIP/Grant Allocation meeting in Washington, December 13-15, 1994, and in subsequent conference calls.

The FY 1996 allocation methodology presented below reflects shifts in program priorities and is generally founded on recommendations reached through workgroup consensus. While working through issues leading to these recommendations, Regional and State workgroup members expressed concern over maintaining program stability and about using current data in the allocation formula. Additional program concerns raised by the Regions and States included program flexibility, a lack of consideration for small quantity generators, and waste minimization in general. With these concerns in mind, the allocation is based on the following;

1. **The incinerator component will be replaced by a combustion component in the FY 1996 allocation. This component is made up of incinerators and BIFs. This data will be drawn from RCRIS.**
2. **The corrective action set-aside (along with the authorization bonus) used in §3011 allocations from 1991 to 1995, has been eliminated and replaced by a corrective action component in this year's allocation. Allocations under this component will be based on the STARS corrective action universe and will consolidate funding for the corrective action workload that has in the past been spread over several base allocation components.**
3. **All distributions in FY 1996 will be based on the most current data available. In FY 1995 only census and incinerator data were updated. For FY 1996, the land disposal, storage and treatment, corrective action, and combustion universes will be based on March 1995 RCRIS data. The population component will be based on 1993 census data. The LQG universe will be based on 1991 Biennial Reporting System data (workgroup consensus was on use of 1993 BRS data, however, '93 data will not be final until August of 1995).**
4. **To address the need for maintaining hazardous waste programs in small States and States with small universes, the FY 1996 allocation will include a minimum funding factor. Regions will receive a minimum of \$350,000 for each State, authorized Trust Territory, and the District of Columbia.**

5. To ensure stabilization of the program, HQ will restrict to 3% Regional losses that results from use of the new allocation formula. Such an allocation will be calculated as not less than 97% of what that Region would receive if its allocation was based on last year's formula and data run against the FY'96 Presidential budget figures. Please note that comparisons in Attachment A show the FY'96 Regional allocations using Presidential budget figures compared against the FY'95 appropriation allocations. As the FY'96 budget is \$1.25M more than the FY'95 Congressional allocation, no Region loses the full 3% when compared to their FY'95 allocation. Finally, as noted below, we anticipate revisiting the allocation formula next year.
6. Both the Combustion and the Geographic Initiatives will be continued this year and will be funded as follows:

The combustion initiative will be funded at \$6,500,000 with \$5,500,000 going toward risk-assessment type activities and \$1,000,000 available for waste min. activities.

Geographic initiatives will be funded as follows:

Great Lakes	Regions 2,3,5	\$2,450,000
Gulf of Mexico	Regions 4,6	\$1,570,000
Mexican Border	Regions 6,9	\$ 780,000
Caribbean	Region 2	\$ 80,000
Chesapeake	Region 3	\$ 315,000

7. Each Region is responsible for distributing and accounting for the funding it receives for any geographic initiatives.

The allocation formula utilizes six components. The following weights are based on Regional and State recommendations combined with HQ program and policy needs.

Large Quantity Generators

The LQG weight has been slightly increased in this allocation from 15% to 16%. This increase is related to increased emphasis on waste minimization. The workgroup had extensive discussions on ways to increase the emphasis and visibility of waste minimization activities. Emphasizing the LQG component is the best way of achieving these objectives.

Population

In the past, this component has been used to address issues related to human exposure. In FY 1996, population weight has been increased from 15% to 17% due to the workgroup recommendation that in addition to exposure population could also be used as a surrogate for small quantity generators. We feel that this

universe has not been addressed in past allocations and that it represents a substantial workload.

Combustion and Corrective Action

The weight increase for combustion from 5% to 12% is due to the addition of boilers and industrial furnaces to the universe, and because of additional permitting requirements mandated by the combustion strategy. Although there are substantial workload implications for these areas, further increases in weighting were not felt to be appropriate because of Combustion Initiative funding.

As this is the first time corrective action has been used as a component, the universe weighting has been set at 15% by comparing budget submissions to workloads suggested by the Regions and States.

Land Disposal and Storage/Treatment

Finally, to balance these increases, we are decreasing weights for land disposal from 35% to 20%, and for storage and treatment facilities from 30% to 20%. Although permit renewals, facility expansions, and new permits still represent a large workload, the relative workload priority has been decreasing when compared to that of combustion, corrective action, and waste minimization.

Performance Partnerships have been one of the more important results of recent Congressional changes. These partnership grants may change how EPA administers its State grant programs. Changes in Congressional priorities for our programs are also subject to change, and could result in substantial decreases in funding. Because of the need for program stability, and because of the expected implementation of Performance Partnerships and changes in near-term funding, we will reexamine the FY 1997 allocation methodology again next year. Furthermore, based on current Congressional proposals, we cannot discount the use of performance partnership grants in FY 1996.

FY 1996 \$3011 GRANT DISTRIBUTION

The FY 1995 Regional allocations are based on the 1995 Congressional appropriation.
The FY 1996 Regional allocations are based on the 1996 Presidential budget request.

	FY 1995	FY 1996
Base Grant	\$75,099,700	\$86,602,800
Geographic Initiatives	\$ 6,650,000	\$ 5,195,400
Combustion Initiative	\$ 7,000,000	\$ 6,500,000
CA Set-Aside	\$ 8,300,000	
Total Grant Amount	\$97,049,700	\$98,298,200

REGION	FY 1995 FINAL	FY 1996 FINAL
Region 1	\$ 5,115,090	\$ 5,400,608
Region 2	\$10,213,203	\$10,114,762
Region 3	\$10,372,441	\$10,256,225
Region 4	\$15,422,627	\$16,021,604
Region 5	\$19,906,127	\$19,713,176
Region 6	\$14,199,199	\$14,559,240
Region 7	\$ 5,434,280	\$ 5,758,328
Region 8	\$ 3,082,160	\$ 3,109,720
Region 9	\$10,280,226	\$10,203,242
Region 10	\$ 3,024,348	\$ 3,161,294
TOTALS	\$97,049,700	\$98,298,200

FY 1995 \$3011 GRANT DISTRIBUTION

	COMBUSTION INITIATIVE	
REGION	ALLOCATION BASED ON UNIVERSE OF COMBUSTION UNITS	ALLOCATION BASED ON UNIVERSE OF LQG
REGION 1	\$ 168,056	\$ 65,141
REGION 2	\$ 443,055	\$187,228
REGION 3	\$ 550,000	\$ 91,864
REGION 4	\$ 962,500	\$141,723
REGION 5	\$ 840,278	\$216,853
REGION 6	\$1,588,889	\$ 88,833
REGION 7	\$ 427,778	\$ 34,449
REGION 8	\$ 122,222	\$ 15,538
REGION 9	\$ 290,278	\$105,951
REGION 10	\$ 106,944	\$ 52,420
TOTALS	\$5,500,000	\$1,000,000